

commerce. The bill strictly limits the ability of thrift institutions to affiliate with commercial companies, closing a gap in existing law. The bill also includes restrictions on control of commercial companies through merchant banking.

Although the Administration strongly supports S. 900, there are provisions of the bill that concern us. The bill's redomestication provisions could allow mutual insurance companies to avoid state law protecting policyholders, enriching insiders at the expense of consumers. The Administration intends to monitor any redomestications and state law changes closely, and return to the Congress if necessary. The bill's Federal Home Loan Bank provisions fail to focus the System more on lending to community banks and less on arbitrage activities short-term lending that do not advance its public purpose.

The Administration strongly supports S. 900, and urges its adoption by the Congress. Sincerely,

LAWRENCE H. SUMMERS.

The PRESIDING OFFICER. The Senator from Texas.

Mr. GRAMM. Mr. President, I thank Senator SARBANES for his kind remarks and for remembering Bob Rubin, who was a very major contributor to this bill. Let me also say that I think it would be helpful if in the morning everyone will come over so we do not have long pauses. My concern is that we do have a lot of people who are going to want to speak on this bill. We are going to be forced to try to stay with the schedule because the House wants to vote on this tomorrow afternoon. So I hope people will come over and speak so we do not end up with this problem where people are given 1 or 2 minutes when they have something they need to say.

I think that can be avoided if people come over early.

Mr. SARBANES. If the chairman will yield, I want to echo the chairman's comments. I say to our colleagues, if Senators will come early on and we can perhaps sequence them, we can give them more time than if some of the time is used up in quorum calls. Waiting for people to come becomes lost time. Then, when people come over, we may be very limited in how much time we have available to give them.

If Senators have statements they want to make of some consequence, we very much hope they will come over and do that.

Mr. GRAMM. Mr. President, we both want to reserve the remainder of our time for use tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

MORNING BUSINESS

Mr. GRAMM. Mr. President, I now ask unanimous consent there be a period for the transaction of routine morning business with Senators permitted to speak for up to 10 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

WOOL TARIFFS

Mr. MOYNIHAN. Mr. President, a moment on a matter that is not in-

cluded in the trade legislation that has just been approved by the Senate—the near-exorbitant tariff on fine wool fabrics. This modest proposal appears to have generated an inordinate amount of controversy, all the more baffling because the facts are so persuasive.

We have just a few suit manufacturers left in the United States, including Hickey-Freeman, which has produced fine tailored suits in Rochester, New York since 1899. Our tariffs are stacked against them.

There is only a limited supply in the United States of fine wool fabric. The suit makers must import significant quantities of this fabric, at a current tariff rate of 30.6%. But importers can bring in completely finished wool suits duty free from Canada and Mexico, and subject to a 19.8% duty when imported from other sources. This anomaly in our tariff schedule—this tariff “inversion”—puts domestic manufacturers of wool suits at a significant disadvantage.

Senators SCHUMER, DURBIN, HAGEL, MIKULSKI, SPECTER, NICKLES, FITZGERALD, SANTORUM, GRAMM, and THOMPSON have joined me in sponsoring a very modest measure that would provide temporary relief to the suit-makers. We have proposed that the tariff on the very finest wool fabric—produced in only limited quantities in the United States—be suspended for a short period, and that the tariff on other classes of fine wool fabric be reduced to 19.8%—hardly a negligible tariff. This was an effort to provide some relief to our suit makers.

Through the good offices of the Chairman of the Finance Committee, we undertook to address the concerns that has been raised when our bill was first introduced. After a series of meetings with all of the interested parties—and there are many—we modified our proposal to address, in a constructive way, the concerns that were raised.

Our first compromise proposal was rejected out of hand. No counterproposal was forthcoming. The objection stems chiefly from two sources: a fabric manufacturer that is not currently producing the fine wool fabric at issue—but promises to do so in the future, principally from a plant it is building in Mexico; and from the American Sheep Industry Association—this despite the fact that wool of the quality required for suit fabric is sourced overwhelmingly from Australia.

I am at a loss to explain the vehemence of the opposition. The fabric producer that so strongly opposes this legislation—Burlington Industries—is positioning itself to compete in the global market. As it ought to do.

On January 26, 1999, the company announced a major reorganization. To quote, “operations will be streamlined and U.S. capacity will be reduced by 25%.” Let me repeat: “U.S. capacity will be reduced by 25%.” The company announced that 2900 jobs would be eliminated, an announcement made just one month after the company re-

ported to its shareholders—on December 2, 1998, that “we have launched a major growth initiative in Mexico.”

There followed an announcement to its customers that the fine wool fabric used to manufacture men's suits—so called “fancies”—would not be available for a time.

Even so, we cannot get agreement on tariff relief for our suit makers, who have greater need than ever for imported fabric. They must still pay a 31% tariff on imported fine wool fabric. We ought to enable them to remain competitive, just as Burlington has taken steps to remain competitive.

We have kept at it. In recent days, our efforts have intensified. With a great deal of good will on the part of all interested parties, it appears that we may be inching toward an agreement that would, in fact, benefit all parties in some measure.

We have included a place-holder in the trade legislation—not a solution to the wool tariffs problem, but a provision that will allow our discussions to continue over the next several days.

I do thank the chairman and his staff—particularly Grant Aldonas—for their efforts, as well as the considerable interest and attention of Senators DURBIN, SCHUMER, and BAUCUS, all of whom are eager, as am I, to work this out. I intend to continue to work with our chairman and with others to resolve this matter.

PRESCRIPTION DRUGS

Mr. WYDEN. Mr. President, the issue of prescription drugs for the Nation's senior citizens is back in the headlines this morning with yet another study having been published that millions of senior citizens in America cannot afford their prescriptions.

This is the 12th time I have come to the floor in recent days to talk about this issue because I think it is so critical that the Senate act in a bipartisan way to deal with what are clearly the great out-of-pocket costs for the Nation's older people. Specifically, as this poster next to me says, I have been urging senior citizens to send in copies of their prescription drug bills to each of us in the Senate in Washington, DC.

The reason I hope we will hear from seniors around the country is there is one bipartisan bill, one that is before the Senate now, to deal with this question of prescription needs for seniors. It is the bill on which Senator OLYMPIA SNOWE and I have teamed up in recent months, and 54 Members of this body, the majority, have already voted for the funding plan that is laid out in the Snowe-Wyden legislation. So we have 54 Members of the Senate on record as supporting a specific plan to cover prescription drugs for the Nation's older people.

The model in the Snowe-Wyden legislation is something that every Member of the Senate is familiar with because it is the model we have for health care for ourselves and our families. The